

Watches.com Limited

(Incorporated in the Republic of Singapore)
(Company Registration Number 199904281D)

Proposed Acquisition of Shares of Arion Entertainment Singapore Limited Entry into Deed of Termination

Unless otherwise defined, all capitalised terms herein shall have the same meanings as ascribed to them in the Company's announcements dated 13 April 2022 and 22 July 2022 (the "Previous Announcements").

The Board of Directors (the "**Board**") of Watches.com Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Company's Previous Announcements in relation to, *inter alia*,

- (a) the entry into a share purchase agreement (the "**Share Purchase Agreement**") with Mr Ng Kai Man, Ms Chan Shui Sheung, Ivy and Mr Lee Chun Ming (collectively, the "**Sellers**") in relation to, *inter alia*, the proposed acquisition of 256,320,900 ordinary shares in the capital of Arion Entertainment Singapore Limited (the "**Target**"), representing 27.44% of the total number of ordinary shares in the issued share capital of the Target, for a purchase consideration of S\$3,000,000 (the "**Proposed Acquisition**"); and
- (b) the entry into an amendment deed to amend the Share Purchase Agreement to extend the long stop for a period of one (1) month to four (4) months from the date of the Share Purchase Agreement.

Further to the Previous Announcements, the Board wishes to update shareholders that the Company and the Sellers have been collaborating and working towards the completion of the Proposed Acquisition. However, following discussions, it was mutually agreed for the transaction to be terminated as the Company and the Sellers are unable to agree on a further extension of the long stop date. Accordingly, the Company and the Sellers have agreed to enter into a deed of termination (the "**Deed of Termination**") to terminate the Share Purchase Agreement.

The Board also wishes to further update shareholders that the Cash Deposit of S\$1,000,000, that was paid by the Company to the Sellers, has been fully utilised to acquire the 85,440,300 Sale Shares on the date of signing the Share Purchase Agreement, as disclosed in paragraph 7.1 of the announcement dated 13 April 2022.

Shareholders should note that as at the date of this announcement, no Promissory Notes has been issued by the Company pursuant to the Proposed Acquisition and the Company holds 35,384,500 ordinary shares in the capital of the Target, representing approximately 3.79% of the total number of ordinary shares in the issued share capital of the Target.

The termination of the Proposed Acquisition is not expected to have any material effect on the net tangible assets per share of the Company or the earnings per share of the Company for the financial year ending 31 December 2022.

By Order of the Board of Directors of
Watches.com Limited

Christian Kwok-Leun Yau Heilesen
Executive Director

6 October 2022

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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